

SOUTHERN NEW HAMPSHIRE
UNIVERSITY

Sustainability in Action

SNHU Sustainability Projects



- 2007 Negotiate 15 Year Renewable Energy Hedge with PPM Energy
- Offsets University Energy Carbon Emissions Until 2022
- Stabilizes University Energy Budget for 15 Years
- Zero Capital Cost Financial Swap
- Supports Building Renewable Energy Infrastructure

Renewable Hedge Benefits & Performance Contracting

- Renewable Hedges Stabilize Net Annual Energy Budgets after Energy Measures and Can Maintain Long-Term Savings if Energy Prices Rise
- University Helps Build Renewable Infrastructure Without Capital Investment
- Eliminates Need to Attempt to Time Energy Markets and Finds Additional Energy Price Reductions from further Efficiency & Renewable Energy Projects
- Can Offset Carbon Emissions

Renewable Hedge Choices & Performance Contracting

- University Hedges Directly with Renewable Producer Before or After Performance Contract
- Renewable Hedges Sized to Meet Long-term Energy Plans and Budget Target
- University Responsible for Hedge Terms
- Renewable Hedge Included in Performance Contract and Designed to Stabilize, or Cap, or Place A Collar on Future Net Annual Energy Expenses
- Financial Transaction, Not A Power Purchase

Basic Types of Renewable Hedges

- Contract for Differences (CFD). Negotiated Strike Price Between University (or Performance Contractor) & Renewable Developer.
- If Monthly Energy Price Above Strike, Developer Pays University. If Monthly Price Below Strike, University Pays Developer
- Zero Capital Cost. Terms up to 20 years.
- Can Include RECs to Offset Emissions
- CFD Sized to Stabilize Some or All of Net Annual Energy Budget

Basic Renewable Hedges - 2

- Cap or Ceiling. Negotiated Energy Ceiling Price Between University (or Performance Contractor) and Renewable Developer.
- University Pays a Defined Annual Amount for All the Income from A Renewable Facility Above a Ceiling Price.
- Ceiling Example: University Receives All Income Above \$.10/kwh for Power Sold into Grid Spot Market.

Basic Renewable Hedges -3

- Renewable Collar, includes:
 - A Floor Price that University Pays Developer if Monthly Prices Drop Below Floor. e.g. \$.05/kwh
 - A Collar of Dead Band Range That Prices Move Within Without Financial Consequences e.g. \$.05-\$.10/kwh
 - A Ceiling that Developer Pays University if Monthly Prices Rise Above Ceiling.

SNHU Can Offer Assistance



- ❑ SNHU Office for Sustainability is Developing Renewable Hedge Designs for Universities & Performance Contractors
- ❑ SNHU in Conjunction with Eco Power Hedge, LLC. Has Developed Comprehensive Analytic Software to Size and Analyze Renewable Energy Hedge Performance for Life of Hedge
- ❑ SNHU & Eco Power Hedge Can Assist with Hedge Monthly Validation, Audit Trial, and Performance

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